

amendments, the Mysore Motor Vehicles Taxation Rules, 1957) ;

(ii) Notification No. HD 76 (2) TMT 62, dated 30th July 1962 (Exemption of Tax payable under the Mysore Motor Vehicles Taxation Act, 1957) ;

Sri K. MALLAPPA (Minister for Industries and Commerce).—Sir, I beg to lay on the table the Fourth Annual Report of the Mysore State Khadi and Village Industries Board for the year 1960-61, as required under Section 26 of the Mysore Khadi and Village Industries Act, 1956.

### REPORT OF THE BUSINESS ADVISORY COMMITTEE PRESENTED

Mr. SPEAKER.—I beg to present the Third Report of the Business Advisory Committee.

Mr. DEPUTY SPEAKER (Sri A. R. Panchagavi).—Sir, I move :

“ That the Report of the Business Advisory Committee be adopted.”

Mr. SPEAKER.—Motion moved :

“ That the Report of the Business Advisory Committee be adopted.”

I suppose the House has agreed to it.

*The motion was adopted.*

### Member's Representation

Sri S. SIVAPPA.—Regarding the call attention motion that I have sent .....

Mr. SPEAKER.—I have already said that I have not even seen it. I do not know the subject matter of the motion. How can we take it now? We will think of it later.

Sri V. S. PATIL (Belgaum—I).—I do not know what happened to the report of the Business Advisory Committee

Mr. SPEAKER.—I put it to the House and it was passed. Nobody had sent in any amendments to it.

Sri V. S. PATIL.—Sir, the time allotted is too short for certain items. How can we finish all these Bills within the time limit? It is a n impossibility.

Mr. SPEAKER.—I put it to the House and it was passed. You should have got up at the right time.

Sri V. S. PATIL.—Because the Leader of the Opposition rose in his seat, I thought he was going to speak on that. That is why I sat.

Mr. SPEAKER.—Even after that I waited for considerable time. It was put and passed. It has gone into the record. Any way, we shall see as it develops.

Sri G. V. GOWDA (Palya).—Sir, the time allotted is not enough for some of these Bills. It is necessary that more time should be given for those Bills at least.

Mr. SPEAKER.—Once we adopt the Report, we must adhere to it. Any way as I said, we shall see.

### MYSORE ENTERTAINMENT TAX (SURCHARGE) BILL, 1962.

*(Debate Continued)*

Sri B. D. JATTI (Minister for Finance).—Sir, yesterday I was to reply. But some Hon'ble Members requested that I should reply today after question hour and therefore this item was reserved for today.

Sir, yesterday I heard very carefully the arguments advanced by the Hon'ble Members who participated in the debate. Most of the remarks which were offered by the Members were too general. Many of the Hon'ble Members who offered remarks did not say anything on the clauses which were under consideration. One or two Hon'ble Members did refer to the clauses of the Bill and I will try to reply to those remarks first and then I will try to reply to the general remarks which have been offered by some of the Hon'ble Members.

(SRI B. D. JATTI)

The Hon'ble Member Shri Venktai Gowda was saying that the present amending Bill was not constitutional, was not legal and was not regular. Sir, if the Government had authority to pass the previous Bill and have an Act, has not the same Government the authority to pass this Amending Bill which is before the Hon'ble House? I did not at all follow his argument as to how he wanted to prove that it is unconstitutional, illegal or irregular.

Sri G. V. GOWDA.—It is not an amending Bill. That is my proposition.

Sri B. D. JATTI.—Sir, this surcharge is going to be collected from the persons who are going to the cinemas and also from the exhibitors. It is a normal amending Bill and there is nothing illegal, unconstitutional or irregular. If it is unconstitutional, it will not stand for a minute. There are people who will not even wait for one day. They will go to the Court and file a writ petition. Why should the Hon'ble Member be so anxious about it? I do not follow it at all.

Sir, the Hon'ble Member Sri Suryanarayana Rao raised one or two points. He said that the wording which is used in clause 4 is not happy or is not correct. Sir, in taxation bills, it is always desirable to use the words used in the original Act. Otherwise it is likely to lead to complications. That is why the wording used in the original Act has been repeated in the Amending Bill.

Sir, he was also arguing that by the surcharge it is likely that there will be a fall in the income and again he was arguing that the Government should not have introduced this Bill and by means of surcharge, they should not have taken this money because the local bodies would have benefited by this amending Bill. Sir, regarding his first argument namely that there is likely to be a fall in income and if the Government does not come to this House with this amending Bill how is it that the local bodies are going to be benefited? I did not follow and I do

not follow even now. Section 3 of the 1958 Act gives power to levy this tax and 90 per cent of the tax collected goes to the local bodies and 10 per cent goes to the Government of Mysore. In that collection according to the present amending Bill, the Government is not going to take any share. So, it is not going to affect the income the local bodies were entitled to get so far. Under Section 4 of the 1958 Act, the money that was collected was to go to the State and under the present amending Bill, it will go to the State. Anyway the passing of this Bill will not affect the local bodies. His argument that Government is coming in the way of local bodies is not at all correct.

Our Hon'ble Leader of the Opposition started with his usual criticism regarding the expansion of the Ministry. He argued the same point in the Budget Session also and he very seriously referred at that time once, twice and thrice, to the number of Ministers and Deputy Ministers. Perhaps he was not satisfied. Again he repeated it this time.

Sri S. SIVAPPA.—With what result? Are you going to reduce the Ministry?

Sri B. D. JATTI.—Sir, at that time we tried to reply on our side. For his satisfaction I would like to reply now also. The First Plan of the State was of the order of 45 crores; the Second Five Year Plan was of the order of 145 crores and the Third Five Year Plan is of the order of 250 crores. When the First Five Year Plan was implemented, the size of State was small and there were only 8 districts. Afterwards, it had 9 districts. Now it is exactly double in size.

Sri S. SIVAPPA.—How much money did you spend on the Ministry in the First Five Year Plan, in the Second Five Year Plan and in the Third Plan?

Sri B. D. JATTI.—Sir, when the activities of the Government go on expanding, it is absolutely necessary to have more persons to look after everything. Otherwise, the Hon'ble Leader of the Opposition will argue that so many works have been taken up and there is no sufficient personnel to look after them. In order to avoid delay and in order to implement the schemes

quickly and in order to give the greatest benefit to the people within the shortest period, expansion is there and we will see that more money is not spent unnecessarily. When we consider the A. G. Ramachandra Rao Committee Report, there are other suggestions which will be examined.

The first type of suggestions relate as to how best we can improve our resources and the second type concerns how best economy could be secured in Government expenditure. The Committee had suggested that a sub-committee of the Cabinet may be appointed to find out where it would be possible to economise and to ensure that all avoidable expenditure is avoided. If necessary, certain branches of departments may be closed or retrenchment effected or the salary of particular officers could be reduced. All these questions have to be gone through. For the information of the House, I might say that Government have very recently appointed a sub-committee of the cabinet and it has asked all the departments and the persons concerned to find out where it is possible to economise and reduce expenditure and if possible where retrenchment could be done. All these matters would be gone through and I might assure the House that the Government is very serious about economy measures. The Leader of the opposition said that all along the Government has shown eagerness to accept only such of those recommendations of the Committee which involve taxation on people and that Government have a tendency to ignore recommendations designed to bring in economy. That is not correct. Both the aspects are being simultaneously being attended to. No hon. Member need be afraid that we are collecting money from the people and that we are not prepared to reduce expenditure. We will certainly take into consideration the recommendations of the Resources Committee and also that of the hon. Members. The money to be collected in the form of taxes will have to be used for implementing the various items included in the third plan. When we observe the supplementary estimates put by hon. Members during

question hour, we find that they are anxious for a number of irrigation wells, or bridges or polytechnics or medical colleges. Without money, how is it possible to have these amenities? The hopes and aspirations of the people and ourselves have been raised very high and people have high expectations. It is absolutely necessary for the Government to find the money by taxation or otherwise to fulfil the ambitions we have laid before the people. Of course, it is for us to spend the money wisely and usefully for the benefit of the people. If there are shortcomings here and there, it is for the hon. Members to criticise and bring those lacunae to the notice of Government and we on our part will try our level best to admit our mistakes and rectify them without fear or favour.

Sir, the Hon'ble Leader of the Opposition made an observation that in the last Ministry, one of the Deputy Ministers earned Rs. 75,000 as T.A.

Sri C. J. MUCKANNAPPA (Sira).—Sir He earned it by way of T.A.

Sri B. D. JATTI.—The word used was “ಸಂಪಾದಿಸಿದರು”. With my little knowledge of translation, I take it the word means ‘earning’. I was all along sitting in the House and I heard every word.

(Several Members rose)

I am prepared to correct myself after reading the records tomorrow or the day-after-tomorrow and if it is recorded as “ಸಂಪಾದಿಸಿದರು”, then I am correct.

ಶ್ರೀ ಎಸ್. ಶಿವಪ್ಪ.—ನುಮಾರು 75 ಸಾವಿರ ರೂಪಾಯಿಗಳನ್ನು ಸರ್ಕಾರದಿಂದ ದ್ರಾ ಮಾಡಿದ್ದಾರೆಂದು ಹೇಳಿದೆ.

Sri B. D. JATTI.—I am depending on my memory which I think is strong. It was the word used. I am subject to correction, if such word was not used.

Sri C. J. MUCKANNAPPA.—Even the T.A. is earned. He got the money and spent it.

Sri S. SIVAPPA.—My question is straight: I want to know whether a Deputy Ministry had drawn Rs. 75,000 in the form of T.A.

**Sri B. D. JATTI.**—I will give that information. Whether it is Rs. 75,000 or Rs. 10,000 or less, I have no figure now. Let the hon. Member put a straight question. Hon. Members have a right to put interpellations and obtain answers even now, whether the matter pertains to this or the last Ministry. I will put a straight question to the hon. Members. When they come to the House, do they not draw T.A. and D.A.? Is it an earning?

**Sri S. SIVAPPA.**—Sir, the hon. Minister is not giving a straight forward reply. My question is whether it is a fact that a deputy Minister drew Rs. 75,000 in the form of T.A. Let him confirm or deny it. No other explanation is required.

**Sri C. J. MUCKANNAPPA.**—If members draw T.A., let not the Minister summon the Assembly; he can carry on as he likes.....

**Sri B. D. JATTI.**—Sir, the hon. Members should have some patience. They criticised the treasury benches and it is but right we should give some explanations to the satisfaction of the hon. Members. Mr. Muckannappa may not like my reply but there are other members who will relish it very well.

**Sri C. J. MUCKANNAPPA.**—It is not so melodious as all that. Let him not make any wild charge.

*(Several Members rose)*

**Sri B. D. JATTI.**—Sir, when the hon. Members spoke I heard patiently. Hon. Members should reciprocate. I am not levelling any charge against any Member. I am an M.L.A. first and a Minister next and I know my duties and responsibilities. It is not necessary for any hon. Member to teach me a lesson.

*(Several members rose)*

**Sri B. D. JATTI.**—I am not yielding to any one. Why should hon. Members get upset at my remarks. When they criticise vehemently they must be prepared to listen to the explanations offered.

**Mr. S P E A K E R.**—The Hon'ble Members can wait for the opportunity. They are going to get a number of opportunities hereafter.

**Sri B. D. JATTI.**—I am not criticising anybody here. I am trying to give an explanation but they are not prepared to hear it.

**Mr. S P E A K E R.**—If the Hon'ble Minister is not prepared to yield, I cannot compel him to sit down.

**Sri B. D. JATTI.**—My only point is that hon. Members of the Legislature, Ministers and Chief Minister are entitled to draw T.A. as per rules. If we have drawn over and above what we are permitted by the rules, we are bound to refund the money. It is not correct to say that any Member or Minister is 'earning' T.A., and D.A. He is 'drawing' them as per rules. According to my experience of 20 years in the Legislature, I am afraid that nobody whether he is a Minister or not, can earn out of T.A. T.A. is money given for the expenditure we incur while on tour, for the railway fare or road charges and the incidental charges which are given according to the rules. To say that anybody is earning out of T.A. is uncharitable criticism. As far as the question whether any Deputy Minister drew 75 or 50 thousand rupees as T.A., I do not know the truth. I will find out and if it is right, I will inform the House. It is the right of the hon. Member to put the question and elicit information. I am prepared to give the information. I will not try to keep back the information.

Sir, a criticism was made about the visit of the Ministers to Ramnagaram. My hon. colleague Mr. Rachaiah explained immediately that if some of the hon. Members were interested in seeing conditions there, could anybody prevent them from going to the spot, provided they do not claim T.A. or D.A.? If Hon'ble Members have the right to go there. Can they be prevented? It is the right of every citizen of this State or even an outsider to go there, if he is interested.....

**Sri S. SIVAPPA.**—On a point of order. The Minister just said that he has a right to visit any place without being on official duty. We are seeing in various newspapers that the Ministers went on private visit ಮೈಸೂರಿಗೆ ಖಾಸಗಿ ಪ್ರವಾಸ ಹೋಗಿ ದ್ದಾರೆ ಎಂತ. Is it proper on



the part of the Ministers, without resigning their jobs, to go on a holiday to some place? Is there any provision in the rule enabling the Ministers to go on leave? I want a ruling on the point. Can the Minister go on a holiday without resigning?

**Sri B. D. JATTI.**—It is the right of the hon. Members and the Ministers to go out both on official and non-official duties. If a Minister goes in Government car or uses Government funds while on non-official visit, members can criticise us. But if I spend my own money and go out, can I be prevented?

**Sri S. SIVAPPA.**—But can the Minister at all go on non-official visit?

**Sri B. D. JATTI.**—There are official and non-official duties for every Member and Minister. According to my experience, a Minister is supposed to be on duty all the twentyfour hours. If the hon. Member understands me correctly, he will appreciate it. He is prepared so criticise, but is not prepared to hear the answer. If a Minister wants to do an official duty he is entitled to claim T. A. and D. A. If he goes on a private visit, he is not entitled to claim any T. A. or D. A. But he is not barred from attending any private work. No where it is mentioned that he should not attend to private work.

**Mr. SPEAKER.**—Does the Hon'ble Leader of the Opposition say that if a member becomes a Minister he ceases to exist as a private individual or a member of the society?

**Sri S. SIVAPPA.**—The hon'ble minister Sri Rachiah said that he went in a private capacity. Did he go in a Government car or in a private car?

**Sri B. D. JATTI.**—Sir, it was also argued that the Government is trying to raise taxes but there is no employment potential. It is not a correct statement. The employment potential created may not be to our satisfaction but whatever money is spent, it is likely to create more employment potential. For example, a number of primary schools have been started. Thousands of teachers are appointed

every year. Similarly a number of industries are started. In order to run the industries a number of personnel are necessary. So the suggestion may be that the employment potential should be more than what it is today. For achieving that we will have to work more. When we start an industry either in the private sector or in the public sector, people will have to be employed and the area where an industry is started is benefitted and the direct or indirect benefits go to the people in those areas. So, we cannot say that the money we are getting is not properly utilised and the people are not benefitted.

Another point raised by an hon'ble member was about the post of Commissioner for Industries and Commerce. He said that it is an unnecessary thing. The Officer so appointed is also the Special Secretary to Government. He works both as Commissioner and as Special Secretary to Government, Commerce and Industries Department. The salary he is drawing is the same though he works both as a Commissioner and as a Secretary.

**Sri C. J. MUCKANNAPPA.**—What is the status of that officer?

**Sri B. D. JATTI.**—If the hon'ble member wants that information, I will explain. The officers in super-time scale are appointed as Divisional Commissioners. The Commissioner now appointed is the super-time scale officer. The status is the same as of the Divisional Commissioners' status.

It was criticised that I. A. S. and I. P. S. officers are not regularly paying their taxes. I do not follow that. Every individual whether he is an I. A. S. officer or I. P. S. officer or a Minister, is just like any other citizen and they are expected to pay all taxes, whether it is an income tax or a sales tax or whatever tax. They cannot evade payments of taxes. It was also said that I. A. S. and I. P. S. officers whenever they go to cinema theatres, they are not paying their fares. It was said by the hon'ble member from Gulbarga. It is not correct. I do not know where he has seen. Our I. A. S. officers who are getting more than Rs. 1,000 are not prepared to go free

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to cinema shows. The hon'ble member knows very well that if he is invited to go over to a place and perform some function, that is a different matter. But, to say that all the I. A. S. officers are going to theatres without paying any charges, is a sweeping remark. It is not correct for any member to make a sweeping remark. There may be exceptions. The hon'ble member might have gone to a theatre without paying charge.

**SRI GANGADHARA NAMOSHI (Gulbarga).**—How did you come to know that I have gone without paying money?

**SRI B. D. JATTI.**—I have come to know in the same manner you came to know about the I. A. S. officers.

**SRI C. J. MUCKANNAPPA.**—The Deputy Commissioner is the officer who issues licences, etc., to cinema operators. The Superintendent of Police and other officers of the Police Department are controlling those people. So, if that person goes to a theatre, I think no proprietor will bother about their fares. In that sense, the hon'ble member made the statement.

**SRI B. D. JATTI.**—The explanation given by the hon'ble member seems to be very reasonable. In that sense, if anybody goes, then no body criticises.

**ಶ್ರೀ ಗಂಗಾಧರ ನಾಮೋಶಿ.**—ಮಾನ್ಯ ಮಂತ್ರಿಗಳು ಅದನ್ನು ಹೇಗೆ ಹೇಳಿದರು? ಅಧಿಕಾರಿಗಳು ಟಿಕೆಟ್ ತೆಗೆದು ಕೊಳ್ಳದೆ ಪ್ರೀಯಾಗಿ ಹೋಗುತ್ತಾರೆ. ಇಲ್ಲದಿದ್ದರೆ ಅವರಿಗೆ ಲೈಸೆನ್ಸ್ ಕೊಡುವುದಿಲ್ಲ.

**SRI B. D. JATTI.**—What I said is, it is not correct to make a sweeping remark. There may be exceptions. We also commit mistakes. But that does not mean we always do like that.

The other points raised are not very important. But I want to refer to one more point. It was said that there are certain people who are evading taxes and the Government is not taking any action against them. If there are such instances and if those instances are known to the Government or brought to their notice, the Government will not hesitate to take any drastic action against the evaders. Yesterday a reference was made, the description of that person was given, though the

Hon'ble Member did not mention who that person is. Whether he is a big man or a small man, we are not concerned with that. The Hon'ble Member gave a description. According to my information, I do not think there is anything concerning our Government. If there is anything concerning our Government, we will not hesitate to take action against anybody, howsoever important he might be. Before law all are equal and we cannot make any distinction between big person or small person. So, no hon'ble member need be afraid.

**SRI S. M. KRISHNA (Maddur).**—You were pleased to say that this Government is not concerned with that particular instance. Supposing the Central Government has something to do with that thing, is it not the duty of the State Government to assist the Central Government to bring the culprit to book justice?

**SRI B. D. JATTI.**—What the hon'ble member says is absolutely correct. If the Government of India wants to take action against a tax evader, it is absolutely the duty of the Government of Mysore and all the M. L. As to assist the Government of India to take all measures against tax evaders.

**SRI S. M. KRISHNA.**—Has the Government of India asked for such an assistance?

**SRI B. D. JATTI.**—That question has not at all been brought to the notice of the Mysore Government. I have explained all the points raised by the hon'ble members.

**ಶ್ರೀ ಕೆ. ವಿ. ರೇವಣ್ಣ ಸಿದ್ದಪ್ಪ (ತಿಪಟೂರು).**—ಈ ಸಂದರ್ಭದಲ್ಲಿ ಮೈಸೂರು ಪೊಲೀಸಿನವರ ಸಹಾಯವನ್ನು ಕೇಂದ್ರ ಸರ್ಕಾರದವರು ತೆಗೆದು ಕೊಂಡಿರಲಿಲ್ಲವೇ?

**SRI B. D. JATTI.**—I have replied to the query put by the hon'ble member Sri S. M. Krishna and I have nothing to add.

**MR. SPEAKER.**—So far as the Bill is concerned, it is a remote reference. A clarification should be direct and it should not be round about and indirect.

10-00 A.M.

**Sri C. J. MUCKANNAPPA.**—It is the duty of the Government to see that money is collected from those rich people. In that sense, this statement was made. Will it not help the Government to take the co-operation of the members whether on this side or on that side of the House?

**Sri B. D. JATTI.**—The Hon'ble Member made a suggestion yesterday also. If he has any information, let him pass it on to us and we are prepared to take action which is legal.

Sir, I have tried to explain to all the points raised.

**Sri A. KRISHNA SHETTY** (Mangalore II).—Is he not a member of the Electricity Board?

(No answer).

**Mr. SPEAKER.**—The question is: "That the Mysore Entertainment Tax (Surcharge) Bill, 1962, be taken into consideration."

*The motion was adopted.*

**Mr. SPEAKER.**—We will now adjourn for half-an-hour and re-assemble for further work.

*The House adjourned for recess at Five Minutes past Ten of the Clock and re-assembled at Thirty-five Minutes Ten of the Clock.*

(Mr. Speaker in the chair).

**Mr. SPEAKER.**—We will take clause by clause consideration of the bill.

**Sri G. V. GOWDA.**—With the permission of the Chair, I want to have a clarification.

**Mr. SPEAKER.**—Before the amendments are moved, why should the hon'ble Member ask for any clarification?

**Sri G. V. GOWDA.**—It is a simple matter. The Hon'ble the Finance Minister has been consistently saying that it is an amending Bill. But no-where in the provisions of the Bill, I am able to see anything which increases the rate of tax under the Entertainment Tax Act of 1958. On the other hand, it is a separate Bill, which levies surcharge on Entertainment Tax. Therefore

how could it be treated as an amending Bill? That is the only clarification that I wish to have from the Hon'ble Finance Minister.

**Sri B. D. JATTI.**—Sir, this is a surcharge on the Sections of 1958 Act. Then, what am I to call it except as an amendment?

**Mr. SPEAKER.**—Now, the Hon'ble Member will also see what has been stated here. Though it is not called an amending Bill in its title, the effect of it is so. "Whereas it is expedient to levy a surcharge on the Tax on Entertainments levied under the Mysore Entertainments Tax Act, 1958", the fact of the surcharge—this is practically an appendage to Section 3. This is an appendage made to the surcharge. Therefore in effect it is an amending Bill. But to the extent that it is not discriminated as an amending Bill, it will not be incorporated into that and to that extent, it is not an amending Bill. We will take up clause by clause. To clause 2 there are two amendments which may be moved

**Sri G. V. GOWDA.**—Sir, I beg to move.—

"That in line 4, for the words "twenty-five per cent," the words "twenty per cent" shall be substituted."

**Mr. SPEAKER.**—Amendment moved

"That in line 4, for the words "twenty-five per cent," the words "twenty per cent" shall be substituted."

**Sri B. R. SUNTHANKAR** (Belgaum City).—Sir, I beg to move.—

"That in line 4, for the word "twenty-five," the word "ten" shall be substituted."

**Mr. SPEAKER.** Amendment moved :

"That in line 4, for the word "twenty-five," the word "ten" shall be substituted."

**Sri G. V. GOWDA** (Palya). Sir, the Bill has been considered by this House. Now, we are in a stage of considering clause by clause and passing the Bill. At this juncture, I wish to draw the attention of the Hon'ble

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Minister for Finance that by having a rate of 25 per cent, as remarked by Mr. Anna Rao, no basis has been taken into consideration to levy a charge of 25 per cent. On the other hand, he asked, why not 50 per cent, and why not 75 per cent. Therefore, no reasons which would justify the action of the Government to levy 25% alone have been made out nor are these forthcoming. The Mysore Entertainment Tax Act of 1958 contains four clauses. Under section 3, where the amount does not exceed fifty naye paise, it taxes 20 per cent and later on at 25 per cent, 30 per cent and 35 per cent. Now, if we levy the surcharge under Section 3 at 25 per cent, the overall picture would not be in a complete form. I mean to say that it would become 25 per cent for the first item, 31 2/5 per cent on the second item, 37.5 per cent on the third item and 44 per cent on the fourth item. The relevant figures will not be relishable. If you could levy 20 per cent, it will be 24, 30, 36 and 44 per cent. It is desirable to have a complete percentage of 24, 30, 36 and 44. That will be the overall picture after the levy is made. My intention is not that five per cent should be collected less. I am suggesting 20 per cent to have numerical round figures for calculation purposes. Therefore, the Hon'ble Finance Minister may kindly accept this.

SRI B. R. SUNTHANKAR.—Sir, I am bringing this amendment as a lesser evil. As I said yesterday, I was opposed to the whole surcharge. But we are considering it clause by clause and I have no other alternative, but to try to minimise the burden. With that intention, I have moved this amendment that the surcharge should be ten per cent instead of twenty-five per cent. Sir, as I remarked yesterday, the bulk of this burden will fall on the poorer classes, on the cinema goers coming from the poorer classes and lower income groups. In order to reduce the burden on them, I have suggested that instead of twenty-five per cent, the surcharge should be ten per cent.

With this heavy surcharge it is very likely that the sale of tickets in the lower categories will be affected and that may perhaps result in decrease in revenue from this surcharge. In order to reduce that burden I have suggested that the surcharge should be 10 per cent in order to give some relief to the poor classes of cinema-goers. I request the Hon'ble Finance Minister to accept this amendment.

SRI B. D. JATTI.—Sir, the Hon'ble Member Sri G. V. Gowda referred to the remarks offered by the Hon'ble Member Sri Anna Rao yesterday. While offering his remarks Sri Anna Rao asked what was the basis of fixing the surcharge at 25 per cent and said that if there was no basis why not raise it to 100 per cent. Whenever we accept a suggestion we will have to accept that which is more reasonable. Simply because there is no basis we should not accept the suggestion to raise it to 100 per cent. 25 per cent is a very reasonable figure because the poorer classes of persons who go to cinemas purchase tickets of lesser value and those persons who have got better capacity will purchase tickets of a higher value and will pay 25 per cent of the value of the ticket as surcharge. If the tax of the lowest category of ticket is 4 annas, then 25 per cent surcharge on that will come to 1 anna and if the tax on a higher category of ticket is Rs. 2, then 25 per cent surcharge on that will come to 8 annas. So this surcharge is on a sliding scale. If I pay entertainment tax of 4 annas, I will not be asked to pay more than 1 anna as surcharge which is 25 per cent of the tax. So there is a regular basis on which the surcharge is levied and that is according to the value of the tickets that one purchases. Simply because the hon'ble member wants to reduce the percentage, we cannot accept his suggestion because if we want to get this money it is impossible for us to accept any of the amendments which have been moved by hon'ble members and so I oppose both the amendments.

MR. SPEAKER.—The question is :—

"That in line 4, for the words

"twenty-five per cent", the words "twenty per cent." shall be substituted."

*The motion was negatived.*

Mr. SPEAKER.—The question is:

"That in line 4, for the word "twenty-five" the word "ten" shall be substituted."

*The motion was negatived.*

Sri G. V. GOWDA.—I may be permitted to move amendments to Sections 4 and 5 together because they are inter-related.

I beg to move:

"That in the last but one line for the words "the entire", the words "fifty per cent of the" shall be substituted;"

"That at the end of the clause, after the word "State" for the full stop a comma shall be substituted and the following words shall be added:—

"And that the remaining fifty per cent of the proceeds of the surcharge levied shall be paid to the Local Authority in whose limits the entertainment is held."

Mr. SPEAKER.—Amendment moved:

"That in the last but one line for the words "the entire", the words "fifty per cent of the" shall be substituted;"

"That at the end of the clause, after the word "State" for the full stop a comma shall be substituted and the following words shall be added:—

"And that the remaining fifty per cent of the proceeds of the surcharge levied shall be paid to the Local Authority in whose limits the entertainment is held."

Sri G. V. GOWDA.—Sir, it is said in clause 2 that the entire proceeds of the surcharge shall be credited to the Consolidated Fund of the State. My amendment makes it clear that 50 per cent of this should

go to the credit of the Consolidated Fund of the State and the remaining 50 per cent should be given to the Local Authority in whose limits the entertainment is held. If we look back to the 1958 Act that Act was adopted by this House for the sole benefit of local bodies. 90 per cent of the proceeds under section 3 of that Act is going to local bodies and the remaining 10 per cent is being retained by Government as the then Finance Minister said to cover up the expenditure likely to be incurred by Government in affording bandobust etc. If that were the case it is justifiable for us now to give some percentage of the surcharge also to the local bodies. When we are giving 90 per cent of the proceeds under the main Act to the local bodies, should we not at least be generous enough to give 50 per cent of the proceeds of this surcharge also to the local bodies? Is it not justifiable that we show some concession to them even in the matter of the proceeds out of the surcharge also? In order to avoid any complication that may arise constitutional or otherwise, I request the Hon'ble Finance Minister to concede to this point to give some concession in favour of the local bodies for whose benefit the main Act was adopted. We have been saying that the resources of panchayats and local bodies have got to be augmented when they have been entrusted with plan and non-plan works and so many other works for the development of rural parts. Such being the case, their pockets must be full. So it would be only equitable if 50 per cent of the surcharge also is given to them and so I request the Government to concede this by accepting this amendment.

Sri B. R. SUNTHANKAR.—Sir, I rise to lend my whole hearted support to the amendment moved by my friend Sri Venkatai Gowda. Under the original Act 90 per cent of the proceeds go to local bodies. But I do not understand why Government is claiming the entire proceeds of the surcharge. Our local bodies are in need of funds and their works are suffering, particularly those of panchayats and taluk development

(SRI B. R. SUNTHANKAR)

boards, for want of funds and they cannot discharge their duties and obligations properly. So it is in the fitness of things that 50 per cent of the proceeds of this surcharge should go to local bodies and Government should not object to it. So taking into consideration the needs of the local bodies, particularly panchayats and taluka development boards, I would request the Hon'ble Finance Minister to accept the amendment moved by my friend Sri Venkatai Gowda.

**SRI B. D. JATTI.**—Sir, under section 3 of the Act of 1958, the arrangement that has been agreed to is and was to give 90 per cent of the total collections to the local bodies and Government, is to keep 10 per cent. That arrangement is not going to be changed by the present Bill. We are not trying to take any money which is to be given to the local bodies. According to the original section 4 of the 1958 Act, nothing was to be given to the local bodies and everything was to come to the Government. The present Bill only seeks to levy a surcharge of 25 per cent on the collections made under sections 3 and 4. It is not correct and fair for any Hon'ble Member to suggest that Government should give 50 per cent of the total collections to the local bodies. There are other methods by which money can be given to the local bodies and Government is doing that. Since Government is expected to delegate powers to the local bodies, Government is expected to give more monies according to the responsibilities entrusted to the local bodies. This is not the occasion on which one can suggest that we should part with the money which we are likely to get in the form of surcharge. So, I oppose the amendments.

**MR. SPEAKER.**—The question is:

“That in the last but one line for the words “the entire”, the words “fifty per cent of the” shall be substituted.

“That at the end of the clause, after the word “State” for the “full stop” and “coma” shall be

substituted and the following words shall be added :

“And that the remaining fifty per cent of the proceeds of the surcharge levied shall be paid to to the local Authority in whose limits the entertainment is held.”

*The motion was negatived*

**MR. SPEAKER.**—The question is :

“That clause 2 stand part of the Bill.”

*The motion was adopted*

Clause 2 was added to the Bill.

**MR. SPEAKER.**—The question is :

“That clauses 3 and 4 stand part of the Bill.

*The motion was adopted.*

Clause 3 and 4 were added to the Bill.

**SRI B. D. JATTI.**—Sir, I beg to move the amendment:

“That in sub-clause (2) for the word “S e p t e m b e r” the word “October” shall be substituted.”

**MR. SPEAKER.**—Amendment moved:

“That in sub-clause (2) for the word “S e p t e m b e r” the word “October” shall be substituted.”

**SRI G. V. GOWDA.**—Sir, I beg to move :

“That in sub-clause (2) for the words and figures “on the first day of September 1962” the words “at once” shall be substituted.”

**MR. SPEAKER.**—A m e n d m e n t moved :

“That in sub-clause (2) for the words and figures “on the first day of Septemebsr 1962” the words “at once” shall be substituted.

**SRI B. D. JATTI.**—Sir, the Bill is likely to be passed by the end of this month. So, it will not be correct for the Government to say that the surcharge will be collected from the persons who want to see the shows and also from the Exhibitors from the 1st of



September retrospectively. So, my amendment seeks to suggest that instead of collecting retrospectively from 1st of September, we should collect it from the 1st of October. That is more convenient. If it is said 'at once', then it will be very inconvenient for the persons who are expected to collect this additional surcharge. In order to avoid all inconveniences, I have suggested this small amendment. I hope Sri Venkatai Gowda will accept it.

Sri G. V. GOWDA.—Sir, the Hon'ble Finance Minister has come forward with an amendment which says that this Act shall come into force on the first day of October. He also said that it is likely that the Act may be adopted and given assent to by the Governor by the end of September. Supposing this measure could not be adopted or the assent of the Governor could not be got by the end of this month, then what is to happen? Supposing it is possible to pass it and get the assent even on the 15th of September, why should we lose 15 days? Therefore, I am suggesting this more comprehensive and reasonable amendment which seeks to substitute the word 'at once' for the words and figures 'on first day of September 1962'. It is not desirable to fix any specific date for this Act to come into force for the simple reason that we do not know what is going to happen tomorrow and we have not fixed any specific date in similar other Acts. Let it come into force on such date as the Government may notify in the Gazette after securing the assent. My amendment will not go against the Government's object: on the other hand, it will be fulfilled by accepting my amendment rather than that of the Hon'ble the Finance Minister.

Sri B. D. JATTI.—Sir, the Hon'ble Member Sri Venkatai Gowda suggested that if his amendment were accepted, it will be possible to bring the Act into force even before the end of this month. If it is brought into force earlier, there will be difficulty for the persons who are to collect the surcharge to keep the accounts. So, from that point of view, the first of any month will be very

convenient. We cannot force them to collect in the middle of a month. In order to avoid inconvenience and to give some relief to the people who are going to some cinema shows, my amendment seems to be better. I hope the Hon'ble Member will accept my suggestion.

Sri G. V. GOWDA.—You publish a notification in the Gazette saying that it will come into force from October 1st. Why provide for a specific date in the Act itself?

Sri B. D. JATTI.—The question of notification does not arise. So, I oppose his amendment.

Mr. SPEAKER.—The question is:

"That in sub-clause (2) for the word 'September' the word 'October' shall be substituted."

*The motion was adopted.*

Mr. SPEAKER.—The amendment of Sri Venkatai Gowda falls to the ground.

"The question is: That clause 1, The Preamble and the Title stand part of the Bill."

*The motion was adopted.*

*Motion to pass.*

Sri B. D. JATTI.—Sir, I beg to move:

"That the Mysore Entertainment Tax (Surcharge) Bill, 1962, as amended, be passed."

Mr. SPEAKER.—The question is:

"That the Mysore Entertainment Tax (Surcharge) Bill, 1962, as amended, be passed."

*The motion was adopted.*

### **Mysore Health Cess Bill, 1962.**

*Motion to consider.*

Sri B. D. JATTI (Minister for Finance).—Sir, I beg to move: "That the Mysore Health Cess Bill, 1962 be taken into consideration".

Mr. SPEAKER.—Motion moved:

"That the Mysore Health Cess Bill, 1962, be taken into consideration."